THE EAST INDIA COMPANY

A STUDY OF ITS EARLY TRADING ORGANIZATION AND COMMERCE

BY

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GUIDE TO ABBREVIATIONS

E. I. C. Letters—Letters of the East India Company from their Servants in the East.

Factories—English Factories—edited by Foster.

Cal. of State Papers—Calendar of State Papers in the East Indies, Colonial Series—Sainsbury.

Stevens—Dawn of British Trade in the East Indies—Henry Stevens.

F. L. B.—First Letter Book of the East India Company—Birdwood and Foster.

INTRODUCTION

This introduction is a very brief sketch of the competition of the European nations for the markets of the East Indies. The nations involved in the struggle were Portugal and Spain, Holland and England; and the period here dealt with dates from the founding of the East India Company to the end of Sir T. Roe's embassy (1600-1621). Portugal and Spain were historically regarded as the Catholic powers, and Holland and England as the northern Protestant powers.

In 1580, under Philip II, Portugal became a part of Spain. Thereupon Lisbon, the great market for oriental wares and the resort of merchants of the north for eastern commodities, was closed to the northern powers. The effects on the commerce of the northern nations were very similar to those which followed the revolution in trade routes, when Constantinople fell in 1453, ruining the Genoese and Venetian merchants.[1]

Later, in 1588, by the shattering of the Spanish armada, when the Catholic powers were crushed, Holland and England started the trail for the mastery of eastern commerce. The sixteenth and

1. Cheyney, European Background.

seventeenth centuries in England covered a period of great exploits on the ocean, piracy on the high seas, and attempts to discover new trade routes to the Orient. Rumored quantities of gold and diamonds, travellers' tales of extraordinary wealth and fabulous civilization, kindled the blood of every freebooter, merchant, and gentleman.[2]

In 1591, Captain Lancaster and Raymond of England rounded the Cape, reached the Malay Peninsula, and returned laden with pepper taken from a Portuguese prize.[3] By this success, the papal award of the trading route to the East, backed by territorial armies, was given a direct challenge. At this time the King of Spain made an agreement with Porqua, King of Malabar, for perpetual peace " to aid the portugals in any wars within the rivers of Malabar from the fortress of Coulon to Calicut, with 10,000 men by land, and 50 vessels from the river ; no thieves in the land, nor any foreign thieves, enemies of Portugal, to be concealed ;" " freedom of religion and customs."[4] These and similar concessions from other rules in the East to Spain were to meet competitors from the West.

2. Ben Jonson, Alchemist, Act II, Sc. 1 (Mammon) ; Shakespeare, Henry VIII, Act V, Sc. 3 (Strange Indian) ; Merrywives, Act I, Sc. 3 (East and West Indies).

3. Calendar of State Papers, I, p. 492.

4. Ibid. I, p. 88, 97.

By 1593 the Spaniards were restless under the English preparations and wrote: "rather than permit Englishmen to trade in either of the Indies, they will sell their wives and children";[5] and in 1594 the King of Spain, upon hearing that the Hollanders were preparing a navy, "resteth very discontent as yet, not knowing how to prevent it."[6] When the Dutch, in 1598, sent out their ships under Houtman direct to the East via the Cape, the commercial jealousy of the English prompted the immediate formation of the London East India Company to seize their share in the wealth of "Ormuz and of Ind."

The commercial policy of the times was to charter, through the Crown, schemes of adventure "to discover the passages towards the Kingdom of Cathay and China."[7] The trade of Portugal was financed, officered, controlled, and directed by the Crown, with headquarters in Lisbon. The trade of Holland was partly under the States General. England, largely through the bankruptcy of the monarch and greater assertion of the constitutional privileges of the nobility and the people since the days of the Magna Carta, granted more freedom to the merchants and assured sovereign protection for the trade. The Queen's charter of July 16,

5. Ibid. I, p. 97.
6. Ibid. I, p. 94, No. 246.
7. Cal. of State Papers, I, No. 250, July 16, 1596.

1596; "recommends Richard Allen and Thomas Bromfield, merchants and citizens of London, to the Emperor's protection, and vouches for the probity of their dealings. Desires to be informed through them of those institutions by which the Empire of China had become so celebrated for the encouragement of trade, and, in return, offers the fullest protection to the subjects of China, should they be disposed to open a trade to any of the ports in her Majesty's dominions."[8] This policy of *quid pro quo*, as far as possible, characterised British commercial policy ; and British merchants, under such "free" charters, developed their commercial institutions along the lines of their traditional guilds and "Merchant Adventurers."[9] Three ships under Captain Wood, at the charges of Sir Robert Dudley, sailed for China, "but not one of the Company returned to give an account of their fate, and thus perished the attempt to open a passage to India."[10]

8. Ibid. I, No. 250.

9. Charter of Merchant Adventurers, Queen Elizabeth, 1564. See Appendix, Causton and Keene, "Chartered Company," Lingenbalch "Merchant Adventurers."

10. Univ. History, X, p. 17.

THE EAST INDIA COMPANY

A STUDY OF ITS EARLY TRADING ORGANIZATION

CHAPTER I

THE RISE OF THE EAST INDIA COMPANY

Not all the mishaps of several adventurers could cool the fever of spices and gold. The travels of Sir Anthony Sherley into Persia and his reception by "The Sophie," the prosperous letters of Amsterdam merchants, spurred the Londoners to still greater efforts.[11] On September 22, 1599, a body of London citizens met in Founders' Hall, Sir Stephen Soame, the Lord Mayor of London, presiding, and one hundred adventurers adventured cash to a minimum amount of two hundred pounds each. The first adventure for the new Company started with a capital of £30,133-6-0.[12]

At the next meeting of the adventurers on the 24th of September, 1599, a constitution was drawn up stating their object as, "for the honour of our native land and for the advancement of trade of merchandise within this realm of England . . . to set forth on a voyage this year to the East Indies . . . to make trade by the sale of commodities to be hereafter provided or otherwise by *buying* or *bartering* of such goods, wares, jewels or mer-

11. Harleian Coll. of Voyages, T. Osborne, I, p. 709.
12. Cal. of State Papers, I.

chandise as those Countries may yield: [13] . . . ." and one of their number was to interview the Lord High Chancellor, to wait on the Queen and receive her gracious sanction.

The Queen's charter was given on December 31, 1599, to the Earl of Cumberland, two hundred and fifteen knights and merchants, whom it created a

(*a*) Body Politic under corporate name to purchase lands without limitation.

(*b*) To trade with all continents East of the Cape to the Straits of Magellan, excluding those ports in league with the Queen.

(*c*) Chartered for fifteen years, a monopoly of trade with power to license outsiders.

(*d*) The governing body of twenty-four committees, elected annually, were to take the oath of allegiance to the Sovereign.

(*e*) The governor to be present at general assemblies when the constitution agreeable to the laws of England may be drawn up. [14] The corporation was empowered to punish all offenders by fines or imprisonment.

13. Ibid. I, p. 101, No. 257.
14. Cal. of State Papers, I, p. 117.

(*f*) Exemption of customs for the first four voyages.

(*g*) Liberty to export £30,000 in coin or bullion.

(*h*) "To send yearly six good ships and six pinnaces with 500 mariners unless the royal navy goes forth."

So started a career of trade, settlement, conquest and dominion, aptly called by Burke "a delegation of the whole power and sovereignty of this kingdom sent into the East."

The etiology of this movement cannot be understood by the observation of the motives that impelled their commercial compatriots, the Portuguese, the Spaniards, or the Dutch. The religious zeal of the Jesuit like Xavier, or the "terror-striking" methods[15] of a conqueror like Albuquerque, find no place in the substantial love of profit that spurred the English citizen. Their commercial methods were too full of painstaking efforts to secure maximum profit with minimum expense by way of fitting out the fleet or maintaining a force to secure their safety. The Lord High Treasurer, "who useth much persuasion to the Company, to accept of the employment" of Sir Edward Michelborne, was politely informed "to give them leave to sort their business with men

15. Portugal Records, Cal. of State Papers, Vol. I.

of their own quality, lest the suspicion of employment of gentlemen . . . drive a great number of the adventurers to withdraw their contribution." [16]

The manner of fitting out their merchant marine is another illustration of the business method of the time—"higgling" and bargaining. The Earl of Cumberland required £4000 for the Mare Scourge, and after three days of bargaining and inspection by carpenters and shipwrights of all the fittings of the vessel, the directors offered £3,500, and finally settled at £3,700. The "Susan" was purchased for £1,600, on condition that the owner, Alderman Bannyng, receive her again on her return from the voyage for £800. [17] Such shrewd bargaining on account of the risk to the vessels in unknown tropical waters were well worthwhile. The factors had good reason later to complain of "rotten hulks" and of the ignorance of shipwrights that did not understand navigation in the tropical seas.

The "Committees" of the Company, with great care, entered in their ledger every item in equipping the fleet, from expenses of "the Mess" to "Merchandise." The Court Minutes of October 8, 1600 record:

16. Cal. of State Papers, I, No. 264.
17. Ibid. I, p. 105, No. 267.

	Men	Tons
"The Scourge	200	600
The Hector	100	300
The Ascension	80	260
The Susan	80	240
The Pinnace	40	100

	£	sh.	d.
Bread for 16 months at a cost of ..	1,028	8	0
Meal for 4 months at a cost of ..	267	17	4
Beer, cider, wine for 20 months at a cost of ...	2,150	0	0
Meat for 17 months at a cost of ..	1,721	8	6
Cheese: Butter and Provisions ..	1,511	10	0
Merchandise			
Iron: tin, lead ..	2,720	0	0
80 pieces broadcloth, all colors ..	1,280	0	0
80 Devonshire kersies ..	545	0	0

The Admiral, the "Red Dragon," 24th Feb., 1600, carried as presents to the King and nobles

A silver fountain and basin	205 ozs.
1 standing cup and cover	63 ozs.
Two looking glasses of the greatest	
2 Helmets	
2 Plumes of feathers	
2 letters	

—a method of acquiring trade concessions from oriental potentates which proved most effective.

The expectations of the Company were great. Captain Davis was to receive £100 for his enlistment on the voyage, £100 for his expenses out to sea, £200 on credit for his adventure, and if on return the voyage should yield two for one he was to have £500; three for one, £1,000; and four for one, £1,500; five for one, £2,000—a very liberal plan to evoke zeal and enterprise on the part of commanders, in the interests of the new venture.[18]

The Company had no zeal for venturing into the unknown. The map-making art of Henry the Navigator, surreptitiously obtained by the Flemish merchants in Lisbon, and the reports received through English prisoners in Lisbon, were pressed into service.

The letters of Foulke Greville to Sir Robert Cecil respecting the trade of the East Indies may be compared with modern commercial journalism. Greville gave a full account of the political conditions of the Eastern countries, the strength of the local chiefs and the armies they could command, the trade of the Portuguese and the Spaniards, their fortresses and plans, rumors of political events, the commodities of the country and the trade of the various peoples, the methods of the

18. Cal. of State Papers, Vol. I. Court Minutes, Oct. 8, 1600.

competitors, the slave-trade of the Portuguese and the consequent enmity of the local people.[19]

Of equal significance were the reports of Hakluyt, the historiographer of the Company. His narratives indicate the commodities traded in different parts of the Indies: Malabar, pepper; Ceylon, cinnamon; musk from Tartary; civet from Bengala; opium from Tamarind; diamonds of Sumatra; pearls of Ceylon and the Arabian; rubies of Siam; the Portuguese trade in velvets, damasks and satins of Portugal; saffron, scarlets and woollen cloth made at Venice; redmosine, scarlet, light or grass green; emeralds from Cairo and the Spanish Indies; "Counterfeit stones brought from Venice to deceive the rude Indians withal."[20]

The English East India Company demonstrated in all its methods a grasp of all the necessary investigations for embarking on a great venture. The spirit of calculation is very noticeable in every undertaking of the Directors. We will observe the same attitude in the choice of the factors, their commercial agents to carry on their trade in the East.

19. Hakluyt Voyages. Historical MSS Commission Cecil Papers, Hatfield House.
20. Hakluyt Voyages.

CHAPTER II

(A) THE BRITISH FACTOR

The Court Minutes of the Company refer the term very broadly, at the beginning of the organization, equally to the Commanders or General of the expedition and to the merchant or the exploring trader or their resident representative abroad. Captain Lancaster, the General of the first expedition, is referred to under the caption, Factor. The commission of Captain Middleton refers to him as Factor. The charter of "the Merchant Adventurers" who preceded the East India Company, in its form and constitution, refers the term to the resident agent or traders of the Company, buying and selling together, from a common agency, in a foreign country, in the interests of the Company.[21]

The Factors were sought after by the Company, especially those who had won a reputation for "adventuring" on the high seas, Levantine traders (Smith was elected Governor of the Company for his Levantine connections), and explorers of the East Indies. The Factors were elected at the meeting of the General Assembly.

21. Lingenbalch, "Merchant Adventurers."

"Nov. 11, 1600. Names of such as are set down and mentioned to go as factors in the Voyadge . . . Captyn J. N. Middleton . . ."

"By the motion of Mr. R. Candler, ordered to set down one Mr. T. Wasse in this Voyadge as factor." [22]

A general idea of the qualifications considered valuable for the appointment as Factor may be obtained in the choice of Mr. Brund: "a grave and discreet merchant, one which hath the Arabian, Spanish and Portugal languages . . . Mr. Brund will not accept of a second place, especially when the first being supplied by younger men of less experience." [23] The position had enough of the miraculous, fortune-hunting element to draw men "content to be employed without salary, to be left in the country of the East Indies till the 2nd voyage and *learn the language*." [24]

Each one of the functionaries in this Adventure were duly commissioned with several stipulations. The Factor's commission was as follows:

"Whereas A.B. is entertained by us the Governor and Company of the Merchants of London trading to the East Indies is allowed for his ymployment the sum of . . . for his

22. Stevens, Court Minutes, p. 56.
23. Stevens,, Court Records, p. 93.
24. Ibid., pp. 86 and 97.

preparation to the sea, which he hath received before his going forth.[25] . . .

"The said A.B. shall have the further allowance of

(1) a proportion of the profit as if he had been in Adventure to be paid on his return to England . . .

(2) in case of death during the voyage, the wages shall be the payment but " if he should die after the ship had been laden or until he or other factors shall have contracted and made provision for their trading . . . the rate of adventure . . . to be paid to his Executor."[26]

The East India Company, in their dealings with their factors, were generous to a degree that can hardly be realized even in these so-called modern times. Their position was assured by successive letters confirming their places:

"Nor masters, factors, nor other officers of speciall place in our ships to be removed without consent of such of the counsell[27] as we have appointed to advise with you."

The Factors were of four sorts, with varying wages:

(1) £100 in advance to fit them out to sea.
£200 gain in adventure.

25. F. L. B.—B. and F., p. 138, 17 Feb. 1600.
26. Stevens, Court Records, p. 145.
27. March 1609. Stevens, p. 343.

(2) £50 and £100: (3) £30 and £50.
(4) £20 and £40.[28]

On their being elected and confirmed in full assembly of the East India Company, bonds were required from all the Factors "for their truth and good behaviour," the first sort for £500; the second, 500 marks; the third, 200 marks; the fourth, 100 marks;[29] and within six years the bonds were made still more binding, revealing that all the vigilance of the Company could not avail to restrict the ways of their Factors abroad. The terms of the bond of January 14, 1606, require that each Factor give his own bond for 1,000 marks, and their friends for 200,[30] to serve the said Company and their successors as their Factor and *covenant servant* during the space of five years, to prosecute their trade, prevent fraud, intimate "deceipts, wrongs, abuses, hindrances as he shall know or understande or crediblie heare to be att any tyme or tymes . . . practised, done, or offerred agaynst the said Governor and Company or their goods or trade by any person or persons in any place or places."

Not only was privateering forbidden to the Factors, but also the assumption of titles abroad. "The Company accompteth it presumption for

28. Court Records. Stevens, p. 81.
29. Bonds, Stevens, p. 105. Dec. 24, 1600.
30. Court Records, Stevens, p. 140.

any of our Factors to assume to themselves the name of Captain without their express order . . . praying you the General to forbear to confer any other title."[31]

(B) THE FACTORY AT BANTAM

The Directors' orders for the first voyage were to open the trade of the East Indies, "to settle at Banda, another at Tornato, leaving factors at each place with some reasonable stocke for their maintenance . . ., to find out such places where gould may be had, as Iland of Monaginnye (New Guinea) for which one of our ffactors that shall lie at Banda . . . although he goe att first but as a passenger in some shipp to learn and advise."[32] Each factory was ordered to leave "sufficient mariners to attend and guard the said goods."[33] The Commander of this armed flotilla was authorized to select "out of the youngest sort factors, aptest and towardest of them, to reside and abide in those places where they shall be peaceablie received, . . . takeing care for the defraying and supplying of their charges until those places shall be hereafter visited by another fleet . . . leaving such advice "for their better information, how to carry themselves in those places as by your good

31. Stevens, p. 343. March 1609.
32. F. L. B., p. 129.
33. Stevens, February 1600.

discretion and experience of the places shall direct you." [34] The Directors were so alive to possible mishaps on these long voyages that they nominated also the successors to the Commanders for their adventure abroad, so as to secure continuity in the manner their trade had to be conducted.

The credit of opening the trade of Bantam belongs to Captain Lancaster. As General of the fleet, he was required by the Directors to secure the favor of the authorities, present the letter to the King and gifts to the Admiral and such other "great personages." [35] His negotiations with the King of Acheen, resulting in a commercial treaty, may be called the Magna Carta of British trade in the East Indies. The treaty itself is its own recommendation for the skill of the English factor as a diplomat in a foreign court.

The main provisions of the treaty included:

(*a*) Free license into any ports within the dominions of the King of Acheen, to buy, sell, barter and exchange without detriment or hindrance—

(*b*) Free of all custom, inward or outward.

(*c*) Contracts to be firm and stable, registrable in the books of the Justices.

(*d*) All commodities to be paid for according to the factor's own valuation.

34. First Letter Book, p. 64.
35. Ibid., p. 133.

(*e*) Religious toleration. The domestic affairs of the factory to be in accordance with English laws and customs.
(*f*) The factory's goods not to be confiscated for individual misdemeanours.
(*g*) Protection to shipwrecks.
(*h*) The King and nobles to have the first choice of the merchandise.[36]

The trade of the Orient during this period was largely controlled by petty governors and chiefs, and the kings formed the principal customers in India and the Indies of the traders from the west and claimed the privilege of first choice.

Captain Lancaster's negotiations were so admirably conceived for the freest development of English trade that the Company sought similar concessions in every new port, with little success. The suspicions of the local chiefs were great enough to prevent the new traders from building a fortified warehouse.[37] They were forced to hire a warehouse and trust to the armed fleet to guard their trade. Lancaster, Best, and Roe were all foiled in their attempts to secure the privilege of possessing a scrap of the foreign soil throughout this period. The Queen's charter "to purchase lands without limitation" did not mature until after forty years.

36. East India Company Records, Letters I, p. 13, 1603.
37. Ibid. II, p. 15.

The factors were ordered to make diligent inquiries of what commodities were to be bought or bartered for, in each island, what English merchandise may be there vented, what kind and colours most vendible,"[38] "to find out trade at Mesopotamia (Masulepatam), parts of Bengala, Cheremandall, St. Thome or any other places fit for trade, take good observation what English commodities, as iron, lead, tin, steel, cloth, kersies, with their several kinds and colours, are there best in request and their values, what commodities there to be bought, pintadoes for the Moluccas, booke calicut and lawns called Casa, such other things as may serve for England, pearls, stones, musk, stones . . . (Hollanders have been most laborious and industrious therein to the end that at your return to England we may be best advised for the direction of the next voyage."[39] Two factors were to explore together the country of Surat and Cambaia, taking passage in native junks, to buy "Indico of Laher," procure the best favour with the governor and principal men of each place, and investigate the nature of the commodities bought and sold, and the possibilities of disposing of English lead, tin, iron, steel, muskets, daggers (pistols), swordblades and head pieces.

38. F. L. B., pp. 260, 280.
39. F. L. B., p. 288.

The islands of the East Indies at this time were the common trading centre for the Guzerats, the Javanese, the Chinese and Moors, the Portuguese, the Spanish, the Dutch and the English. The English felt their competition and wrote to the Directors that "the Hollanders in their trades are our mortal enemies and to the profit of Chinese and Javas who doth look for such opportunities to have one to cross another that they may the better encroach upon us." [40]

In eight years English factors secured a market large enough to indent on the Directors at times for

"200 tons of English iron in narrow, thin bars,
20 tons of lead in little pigs
100 swordblades, broad and curved,
50 pieces snaphanes,
20 barrels powder,
50 pound opium,
5 cwt. galls,
20 pieces broadcloths." [41]

The trade was not smooth. In some places "the people would not suffer them to come ashore or have any transactions with them, but in the night by stealth they would bring them victuals and money." [42] The tribal wars and commercial

40. Letters, E. I. Co., p. 15.
41. Letters, E. I. Co., I, 4 Dec. 1608.
42. Ibid. I, p. 71; II, p. 6.

jealousies were inflamed by trade in arms and powder. The King of Acheen's son and his troops were killed by the explosion of a barrel of powder, and for a time the prospect of trade seemed very black. The factors' opinions of their customers are infinitely varied, ranging from sullen statements that "their bodies be full of the devil" to extravagant praise: "heathens but very good people to deal withal and to live by and which hold good right and justice and order after their manner."

The Dutch competition stimulated the English factors in their commercial policy. As the Dutch strove to undersell the English and cut them off by presents to the King and the officials, the English, not to be outdone, rose equal to the occasion.[43] The Hollanders, "who are very careful, industrious and diligent," served as models of tradesmen. The English factors, however, engrossed the pepper in good seasons and resold it to the Dutch when the opportunity presented.[44] How closely English traders followed the Dutch may be seen in the ways the English factors copied the Dutch in employing specialised agents in the trade of several commodities. The factors sometimes wrote: "Have obtained of their Jeweller (Flemish) some instructions which may stand us

43. Ibid. I, p. 204.
44. Letters, E. I. Co., I, p. 22.

in stead." The hint was not lost on the Directors at home. They secured the services of a young man, Emmett, trained in Constantinople and who understood pearls, colors and textiles, and sent out "garblers" to handle spices. The Dutch pursued the trade in diamonds and gold in Sokondana (Sumatra). The Chinese traded in beads and silks. The factors obtained a sample of the beads, "to show unto their worships that they may have the like beads brought out of England at cheaper rate."[45] The best customers for English merchandise were the Guzerates. These traders from Surat received in "barter English cloth and lead for their baftas black and white." The Guzerate cloth had a ready sale in the Islands. The English traded it for pepper. In Moluccas, "the people of Banda, Ternate and Tidore gave in barter nutmegs, mace and cloves" for "broad swordblades, rials of eight, English cloth red and stamel 10, 12, 14 sterling the yard, velvets red and green branched with flowers, cheap China velvets." The English cloths were sold to the Guzerates, while the Islanders preferred the "cloth of Surat, Bengala, especially Cassia." These cost ¾ rials, but were sold in the Islands for 3 rials.[46] Of the profits from this trade and the extent of the trade in the Islands, "the Avizo from Hugh Frayne to Nicholas

45. Ibid. I, p. 284.
46. E. I. C., I, pp. 55, 70.

Downton in the Red Sea . . . Instructions touching trade in the Moluccas,"[47] gives a very full description. Hugh Frayne, one of the factors, mentions the prices of cloths of Bengala, Masulipatam, Cheromandell, St. Thome, Surat, Cambaya; mace and cloves of Amboyna; Ceylon pearls, cinnamon and rubies; Malabar pearls and diamonds; English commodities that could be sold . . . head pieces, small arms, pipe cans with spouts to drink out of, knives, drinking glasses, tin, lead, powder."

To prevent smuggling, each factory had to keep a cashier,[48] "one who shall keep books fair written as well journall as ledger after the order of debtor and creditor of all the business there passed . . . without blotting, scraping or interlining." Each factor was required to render a reason "weekly or oftener." In March 1609, the Company sent out to all their factors at "Surat, Banda, Bantam, Priamon, a book signed by the Governor and Company, to serve as records of their dealings for their successors."[49] Some unscrupulous factors carried their account books away on their return home, so that any fraud might not be detected. Therefore the factors were later told not to carry back to England "any books of accounts either passed by himself or by any

47. Ibid. I, pp. 68-76.
48. Stevens, p. 322.
49. F. L. B., p. 343.

others, other than copies of the East India Company, the said copies to be sealed up."

The Company constantly complained of bad account keeping and shortage in pepper and aloes and silks mentioned in the factors' invoices:[50] "the pepper dryed so much that out of 7489 sacke there was lost 238, all which considered maketh us think that our business was not well husbanded neither with you nor in the ship coming home . . . hereafter nothing be bought nor sold privately, but that your journall or booke conchant may continually lay open for every one that is our factor to look upon, for we hold it no wise fit that he that is our factor should carry all the account close to himself in such sort that those who are with him can give no reason how our commodities are lessened . . . we are given to understand that Mr. Scott brought away his account as also Mr. Towerson . . . and left no copies with you . . . It had been fitting for such as are the Company's servants to have kept a book for the Company there to have remained . . . we have sent you a large book to be a continued conchant so long as it shall last, willing you the principal factor and those that shall succeed you . . . suffer those that are factors . . . to be privy to all things bought and sold . . . your books and accounts to

50. F. L. B., p. 312.

be publick and common to all the rest of the factors which shall be good to avoid scandal and to free us from suspicion."[51]

A considerable part of the trade was carried from on board their merchant fleet. At the time of purchase of commodities, the factors were required to weigh the articles and pay the money, enter the proceedings in their own books; and the purser of the ship had to keep an account of all that was put into the ship. Thus they kept a tally of these two accounts every night and the General was acquainted therewith, the factors sending a copy to the Company.[52]

In order that the weights might be intelligible to the Company, each ship had "a sundry chest with weights, and the factors were to compare these with the weights of the locality.[53] The Company's demands were meticulously exacting, even to the packing and numbering of the eastern goods, "due weight and the same put on the Baggage, numbered, marked, an invoice containing the particulars of every baggage,"[54] and the number. Then the purser had to take charge of the note and "weigh every baggage at taking of it into the ship."

51. F. L. B., p. 312. March 14, 1609.
52. F. L. B., p. 340, March 1609; p. 413, April 4, 1611.
53. Stevens, p. 258.
54. F. L. B., p. 257, February 1607.

In spite of all these precautions, the factors were too far off, and the Company too dependent upon them for a profitable trade, to be able to enforce their restrictions. When arranging the VI voyage the Company ordered that "Generals, Masters and factors shall not trade for themselves, but put their money in general stocke."[55] They forbade "private trade in pepper, cloves, nutmegs, mace, cinnamon, ginger, indigo, calicoes, amber, musk, aloes, Benjamin, Gumlacre, raw silks, pearls, diamonds, Bezoar stones."[56] They attempted to prevent the use of the factors' wages in private trade by allowing only what was sufficient to buy apparel,[57] and established a "mess", a boarding house in Bantam for the factors, "to live like brothers"; threatened loss of adventure and wages; required that "No person shall receive high wages on the ground of appointment abroad unless sanctioned by the Company."[58]

Finally, they wrote to the Captain to examine the dealings of the factors at Bantam, "to certify unto the Company their particular abuses."[59] The risks of life were too great and the temptation to amass a fortune quickly proved too much for the

55. F. L. B., p. 310.
56. F. L. B., pp. 299, 301.
57. F. L. B., p. 418.
58. Stevens, p. 343.
59. F. L. B., p. 303. 11 Sp. 1611.

factors. "Generals, captains and masters took sundry persons in the Voyage and left them with the factors to engage in private trade." [60]

With their monopoly threatened at home by designing adventurers at court, and by extensive profiteering by their own servants, the Company exhorted their agents to refrain from privateering: "noe private traffique, barter, exchandge, or merchandising shall be used, practised or admitted by any particular Governor, Captain, merchant, agent, factor, Master, Mariner . . ."

They soon found it prudent to relax their restriction by authorizing "that it shall be lawful for every of the said Factor to adventure and ymploie in every voyadge for their private profit . . . the sum or value of £XXV starlinge in any commodity of those parts except spices and drugges and all manner of *pestering* commodities, payinge freight and other ordenary duties for the same, the which £15 or value thereof is to be registered here in England. [61] before shipping the same, as also how the same is employed in the parts beyond the seas and that in such manner as the Co. may have publick notice and knowledge thereof dureinge the continuance of their service with the said Co., and further to give advice in every voyage whereby the Company may have

60. F. L. B., p. 416.
61. F. L. B., p. 142.

knowledge thereof that the same may be registered accordingly for better satisfaction herein and for performance of their bondes formerly entered into for abstaining from all other private trade and such like." This is an excellent illustration of the ingenuity of the Company to meet every new difficulty. No better way could have been adopted than this appeal to self-interest, and thereby find out the most profitable form of trade in foreign parts.

The struggle between the Company and its servants in the East, however, was long and arduous. The penalty for fraud was loss of all adventure and wages, "Search of all boxes, packets, books, writings and other means." The Company, on April 5, 1608, moved that the factors' letters were all to be enclosed in the public letters of the Company, so that interlopers would not gain information regarding the trade. They were anxious to be informed frequently, and even if their own fleet should be absent, to send letters through the Hollanders, enclosed in theirs, "to send diverse letters at one time, send them by sundry passengers"[62] to avoid miscarriage. They were infuriated at times by the private letters of factors to their friends. "We utterly mislike your particular advice to your private friends, either of what com-

62. F. L. B., p. 150.

modities are there requested or there also to be had or of the prices wherein you are very sparing to advice the Governor and Company in your general letters to them, as we are your masters and bear your charges and salary there." [63]

The Directors' letters were very specific regarding the care of packing the spices on board, weighing, accounting in the factory, double-checking by comparison with factors' and purser's accounts, and watching while loading the vessels. [64] For example:

1. Cloves—fallen in weight by 20 tons, "we are rather persuaded they were never brought to the ships."
2. Nutmegs—exceeding bad, not fully ripe, "at which ignorance of you to buy such spices we conceive the Indians doe rejoice."
3. Mace—spoiled by putting them with nutmegs. Sent Dickenson to help choose spices.

The factors were warned "not to put much dust or sand by countrie people to make them weigh heavie," a practice adopted by dealers, "or mingle some sorry stuff among them." [65] The spices were so valuable that the first ship that arrived in

63. F. L. B., p. 131.
64. Letters, E. I. Co., March 6, 1608.
65. Letters, E. I. Co., I, p. 70.

England laden with pepper was discharged by porters whose "canvas doublets were without pockets." Pepper had more value than gold! The spices of the third voyage—cloves—bought at Amboyna were sold in London for £36,287, twelve times the price paid, £2,948-3s. The third voyage brought a net profit of about 234%.

The factors took their own share of the profits, and considering the hardships of the times, well earned their reward. While pursuing their trade, they underwent many a hardship through ignorance of the conditions of living in a strange climate. "Half of my people were disabled for labor, some with flux, some with fever and many with sore legs, for I hold that he that escapes without disease from that stinking stew of Chinese part of Bantam must be of a strong constitution of body or else of a temperate well-governed life, but by God's mercy and our chirurgeon's endeavours most of them recovered."[66]

The attitude of the Company was quite paternalistic in their regard for their servants. Every one of their letters end with, "Your loving friends, the Governor and Company . . . we pray God to bless you all and our affairs . . ."—either a humane spirit of the time with regard to the dangers of an eastern voyage or the customary for-

66. Ibid. I, p. 262.

mula of the period. Besides, they sent "for the better comforte and recreation of such of our Factors . . . the works of that worthy servant of Christ . . . Wm. Perkins . . . to instruct their minds and feed their souls with the heavenly food of knowledge . . . the Book of Martyrs in two volumes . . . Mr. Hakluyt's voyages to recreate the spirit." 67

The sales manager of a modern distributive organization is not unlike the Directors of the East India Company, in advising the men on the field: "Have especiall care to sanctify the Sabbath day and to read upon those divine books for the instruction and comfort of all those that shall be there remaining."

Nowhere is the Company's regard for the well-being of their servants more evident than in their care of the estates of the deceased factors; also, their sagacity in finding out how wealthy their factors had become during their stay in the East Indies.

"Whereas our Factors do appear to have left some estate—

(*a*) All things that do appear to belong unto them duly and truly inventoried and shipped apart by themselves.

(*b*) Their will safely kept and brought home

67. Stevens, p. 419. April 4, 1811.

together with their books, notes of buying and selling whereby their estates were increased, that the Company may be satisfied they were well dealt with.

(c) That their friends receive that which shall rightfully appertain to them." [68]

The Company came to be well informed about their servants' fortunes with the "wills" of some of their factors. "Langley departed this life leaving in money 700 rials of eight and one great chest with divers commodities as per invoice . . . the will by the which confession you shall perceive the bad conscience of some of the factors." [69] It must be said to their credit, that they were ever ready to have their agents recover the dues to the factors by use of their own books abroad.

68. Letters received, II, p. 14.
69. F. L. B., pp. 278-279.

CHAPTER III

PIRACY AND TRADE

We are not attempting to give a full narrative of the place of piracy in the rise and development of European trade in the Orient. The main object of this section is to emphasize the nature of the flotilla that opened the trade with the Indies, and the relation of the rival adventurers of the West with each other in their several attempts to monopolize the Indian market and build the "warehouses." These small warehouses formed later the foundations of an empire.[70]

The commercial policy of the trading nations in the East at this age falls into three divisions:

(*a*) Exclusion of the rival nation in any manner possible,—a policy that resulted in reprisals and war and the capture of prize vessels to the profit of the trading company and the crown.[71]

(*b*) Intrigue at Eastern courts to exclude the rivals by bribes.

(*c*) Discomfiture of the old "native" trade of Moorish and Chinese junks.

70. Adam Smith, Wealth of Nations, "Colonial Policy," cf. G. L. Beer.

71. Colonial Papers, I. No. 325, 1603.

The trading nations had maritime laws regulating this "armed" trade. In England the King claimed a fourth part of the enemies' goods taken upon the sea, the owners of the ship a fourth part, and of the rest the Admiral took two shares if he was present on the occasion, otherwise but one share. Privateers and others out of the King's pay could have what they took, "leaving two shares for the Admiral; of the rest, half to the ship and victuals, half to the Master, Mariners and takers thereof."[72] The Admiral had, under such generous legal provisions, an interest in high seas robbery. Making a "prize" of the enemies' rich cargoes was part of the method not only of humiliating rival nations, a national concern to be regulated by ordinances, but highly profitable to the adventurers.[73] It paid in this golden age to be the Lord High Admiral of England, rather than to be King of England. By the admiralty laws, the mariners had interest in the freight of the ship as their wages rose or fell with the increase or decrease of the cargo in the ship.[74] The masters and mates were all co-sharers of a profitable venture, where they gained everything or lost their necks.

It is very interesting to observe that the early English fleets "for the discovery of Cathay" were

72. Black Book of the Admiralty, I, pp. 21, 144, 145.
73. Inquisition of Queensboro, 133-178.
74. Black Book, II, pp. 163, 215, 257, 263, 343, 363, 439, 465.

manned by men from prisons, "mostly convicted of robbery by the Highway." [75] The risks of trade of that age required men of the hardiest breed, and England produced the calibre of men or found the vocation for the enterprising men of the King's highway. Frobisher's expedition fitted out with such ill-assorted crew produced only "the fabled ore." Better fortune attended Sir Francis Drake and Lancaster and Raymond and the galleons of the Earls of Leicester and Cumberland, whose gallant fleet went out on the ocean with keen scent for the treasure-laden vessels of the Spanish main. [76]

The Spanish and Portuguese attempt at monopoly is responsible to a large extent for the extraordinary amount of piracy at this period. The Dutch strove to drive out the English, and together they struggled to crush the Spaniards and the Portuguese. [77] We even read of a proposed union between the Holland and English companies to drive out the Catholics. [78] The Hollanders burned the Portuguese carracks wherever they met, deprived them of Amboyne and Bantam, burned their castle at Tidore. The success gave great joy

75. Cal. of State Papers, I, No. 36.
76. Cal. of State Papers, I, No. 76, 1577-1600.
77. Ibid., No. 350, May 10, 1600.
78. Ibid. I, No. 823.

in the United Provinces.[79] In 1607, the rumor of Spanish success and the capture of great wealth alarmed the English ambassador in Spain ; "Our mouths are so fitted to millions as less sums have no sound in them," runs his narrative.[80] The alternate defeats and victories had their effect on the trading activities of competing nations. "The Portugal merchants that trade here are very sad and pensive and heartily hope the peace with Hollanders will be concluded."[81]

The Dutch Government proposed to England to end their rivalry in the East by amalgamation of the two Companies on the strength of their capture of the Moluccas from the Spaniards. They suggested a joint subscription of £1,200,000. The London Company rejected this tempting offer, as they regarded the matter as a state affair and not to be mixed with their commercial enterprises. They felt that two nations could not join to monopolize a trade. Such was the courage and the high hopes of the English merchant citizen to stick to the profits of commerce and leave their states to fight their wars.

The encounters of the East India Company's fleet with the Portuguese had very energetic results, whether in the Arabian Sea or the Bengala

79. Ibid. I, No. 350.
80. Ibid. I, No. 366.
81. Cal. of State Papers, No. 376, p. 408.

Bay. "The armies of Portugal frigates damaged the company of much goods taken in Surat, gave diligent attendance round about us to destroy and cut off as many of our people as they could spy advantage . . . and not to suffer any of us to land with our boats."[82] The issue was not one-sided. "We set fire to Portuguese vessels laden with rice and jagra,"[83] and in the Bay of Bengal took a vessel "with pearls and other good things[84] . . . met two Portugall carracks bound for Goa, but coming near them they shot at us and we one piece at each of them, the Ozeander discharging some 15 or 16 pieces at the Admiral."[85] A Portuguese fleet on its way to Goa fell a victim to the English fleet, and Captain Pring in command moved Roe at the Court of the Moghul to consent to divide the gold taken, among the men, for their encouragement . . . that . . . in all reprisals the soldiers must have an honest share . . . we may need their help . . . it is their hands that defend all under God."[86]

"At the Bar of Barcelona, in sight of the Portugal armada of about 60 frigates, we took a small ship of theirs laden with rice and jagra. Most of the men, flying on shore in their boats, took out

82. Letters, E. I. Co., p. 157, V.
83. Ibid., p. 269, 1612.
84. Cal. State Papers, p. 234.
85. Cal. State Papers, p. 234.
86. Letters, E. I. Co., V, p. 123.

good store of jagra and rice, fired the boat and set the men on shore." [87]

The open Bay of Surat, the chief port during this period for the trade of the Moghul dominion, proved the point of contest between Portugal and England. "At the Bay of Suratt . . . this afternoon the galleons with six frigates to each of them towing came near our ships, who also weighed anchor and met them in sight of us, many other people standing on shore to look on them, where the Dragon alone at the first encounter made their Admiral and Vice-Admiral turn back and fly before her. . . . The other two ships not being come up, neither was the Ozeander at this time come to the Dragon and having exchanged some 40 great shot on each side, the night being come they anchored in sight of each other . . . our ships having fought some 4 hours with much honour."

We may gather some idea of the extent of the profits and the excitement this form of "profiteering" caused in court circles, from the attack made upon the Company in 1624. [88] The Lord High Admiral (Villiers) seized the fleet of the East India Company for their neglect to share the booty taken at Ormuz from the Portuguese vessels. From the estimate of Coke, the booty consisted of £26,000

87. Ibid., V, p. 269.

88. Cal. State Papers, III, No. 394, pp. 246-47, 269, 256, 446-471.

from the Portuguese, £28,000 from the Chinese, besides golden prize, stuff prize, date prize, rice prize, seventeen pieces of ordnance. The report makes this significant remark: "that if piratically taken, both goods and ships are forfeited to His Grace; if lawfully taken, by reprisal, a tenth was due to His Grace."[89] The Admiral received a gratification of £10,000.

The impoverished Court, in the Constitutional troubles of the period, found every occasion to make the sovereign rights of charter an instrument of extortion from the English tradesmen. The Company, in private assembly, bemoaned "that if there had not been some false brothers among us, the Company need not to have paid the money to the King."[90]

When Captain Lancaster returned, after ratifying the treaty of commerce with the King of Ternate, the Dutch represented "the English as pirates"[90-a] that came with a design to plunder his country. The Governor of Poleroon confessed to Captain Keeling that the Dutch factors offered the natives $ 12,000 not to trade with the English.

The Portuguese and the Spaniards led the way in terrorizing the Algerian and Moorish traders of

89. Ibid. III, No. 394.
90. Ibid. No: 451.
90a. Cal. State Papers, I, No. 325.

the Arabian Sea.[91] Privateering by English traders in the East Indies was the natural outcome of the prevailing method of trade. In 1579, the Venetian merchant, Caesar Frederick, wrote:[92]

> "the city called Cannanore which is a harquebush shot distant from the chiefest city that the King hath in his kingdom . . . and he (the Zamorin) and his country are the nest and resting place for stranger thieves, and those be called Moors of Cartosa because they wear on their heads long red hats, and part the spoils that they take on the sea with the King of Calicut for he giveth leave unto all that will go a roving liberally to go, in such wise that all along that coast there is such a number of thieves that there is no sailing in those seas but with great ships and well armed or else they must go in company with the army of Portugal."

Perhaps we find here the explanation of the Portuguese treaty with Porqua of Malabar, who agreed "not to harbour thieves."

Early English commerce in the Spice Islands were mostly annals of piracy on the part of the private adventurers. Captain Lancaster's capture of a Portuguese prize opened the trade of the

91. Hunter, Hist. of Br. India, Vol. II; Letters, E. I. Co., VI, p. 208.

92. Logan, History of Malabar, Vol. I.

Islands to England. The English factor at Bantam remarks : " In came some junks of Malabar. What Sir Henry (Middleton) took out of them is to me unknown." [93] Sir Henry was responsible for many similar adventures in the Red Sea, when the trade with Surat hung in the balance. [94]

The Turks sometimes got their turn : " they surprised the ships, murdered the factors, our general they kept iron bound, both neck, hands and feet, for the space of six months." [95]

Letters of the crew show other incidents relating to the trade of this time, tales of pillage and terrorization. Andrew Warden, a sailor in one of the merchant vessels, relates :

> " Landed of the English and the Dutch some 400 men at the least and took the forte and castle of the town, set fire to it, all the town and all the houses thereabout. The people ran away at night and carried away all the best commodities, leaving nothing but trash."[96]

It is corroborated by another statement :

> " Our men on shore pillaged the town and set their house all on fire, with their fort at the waterside. We stayed there 15 days, doing all the spoil that we possibly could. When we had done all the harm that we could, we got

93. E. I. Co., I, Bantam 288.
94. E. I. Co., Letters, Surat.
95. E. I. Co., I, p. 157, Letters.
96. Ship's Journal, Oct. 15, 1626, (Bombay).

our men on board, leaving the town on fire." [97]

"The Morris and Dutch ships went in near the Great house to batter against it, in which battery the Morris ordnance split the same day we landed 300 men English and Dutch and burnt all their citizens houses and took the Great house with basses . . . the 15 all our men embarked aboard the ships, being Sunday in the evening, and left the Great house, which was both a warehouse, a factory and a forte, all afire burning with many other good houses together with two new frigates not yet from the stocks nor fully ended . . . they had carried away all their treasure and all things of any value . . . for all were run away before our men landed." [98]

Thus the merchant fleets were armed as much for war as for trade. Where exchange was not practicable, the force of arms produced results. It was an age when nations burned their way for a right to trade in the East. [99]

97. John Davies' Journal in the Discovery, Oct. 14, 1626.
98. Davies' Journal in the Discovery, Oct. 13, 1626.
99. Sombart, Genesis of Modern Capitalism.

CHAPTER IV

TRADE OF THE MOGHUL DOMINION

The years 1612-1621 form a very active period in the commercial annals of the Company. The factors attempted to open the trade of the Moghul Dominion. The method and the circumstances that attended the opening of the trade of the Spice Islands were repeated again in this area. There was first the competition with the Portuguese who had settled in Goa, Diu and Damon, the gradual defeat of the ancient trade of the Moors, and that of the traders of the Moghul dominion in the Red Sea and on the Malabar coast, the preliminary negotiations of the English with the seaport governors around Surat, the establishment of a hired warehouse, the trade through brokers, expansion into Ahmedabad, Agra, Broach, Ajmere, raising of Surat to be the chief factory, the failure of negotiation of Roe at the Moghul court to secure a permanent fortified site, and finally the expansion of English commerce in spite of all Jesuit intrigues at court,—these we shall take up in detail.

From Sir Michelborne's letter to the factors, we find that the Portuguese had occupied Goa, Diu and Damon, commanded the Arabian Sea, levied

tribute on the ships of natives, issued licenses, and hotly contested interlopers of the West. So, after many explorations, they found:

> "Two miles up the Bay, there is a great city like London called Nigertuttie where there is plenty of Indico, Calico, and diverse merchandise, the people there are free, only governed by King Acber who resideth at Agra and the Portugals have nothing to do." [100]

The possibility of Surat so captured the imagination of the factors that they resolved

> "that if by the mutual consent of the King of England and Spain, it cannot be accorded that our people may have peaceable entrance into the river, their worships are to provide 5 or 6 good ships . . . to withstand all the force of Portingalles . . . trade in despite of them . . . the people stand much more affected toward us, lent soldiers to safeguard our goods by land to the seaside against the Portingals."

Their estimate of Surat is a remarkable forecast—"the only key to open all the rich and best trade of India and for the sale of all commodities." The following passage gives an accurate future of the situation in opening the new factory and the hopes of the factors:

100. F. L. B., p. 247.

"Such ships as you yearly send for the East Indias should first touch this place, that only excepted appointed for the Bay of Bengala . . . because a trade at Dabull were convenient as well for the vent of our English commodities . . . the subjection which the Portuguese these many years have held them by means of their sea forces still keepeth them in fear in regard to their shipping which they yearly send to the Southward and to the Red Sea, who dare not depart from hence without their license whereof it should please God to send us means to ease them . . . by our trade bring them like profit . . . doubtless they would expel the Portingalls. The convenience of the Cape of Bona Esperanza being 2/3 part of the way hither, the sweetness and wholesomeness of the air, the abundance of water, cattle, foul and fish and divers of the good things for refreshing together with easy entrance there hath given us hope it may be inhabited by our people." [101]

In accordance with the practice of the time, the new traders sought first royal protection and patronage. We have already referred to the sporadic trade of this area in defiance of the Portuguese, and the expectations of a permanent com-

101. Letters, E. I. Co., 1612, p. 258.

merce based on the good-will of the people who trade with them in the harbour.[102] When the first fleet arrived, "7 days were spent in receiving the firman, for that the General was doubtful whether it was the King's firman or not, and being resolved, would not receive it, until some chief of the city should bring it down to him to Swally which in fine they did."[103] The "Mukadam" of Swalley was hospitable to Sir H. Middleton, one of the explorers of the trade of the Indies. In fact, Sir Henry must be given credit for using a local broker, "Jadow,"[104] as the valuable local "informer" with regard to the ways of the people. Jadow was "the messenger" left at Swally with instructions, and it was Jadow who later acted as chief broker in all the dealings of the English factor with local tradesmen.

The first object of the factor was to secure court favors. The local Governor of Surat, responsible for the safety of the Arabian waters, gave a welcome to the English adventurers so long as they were willing to help the Guzerates against the Portuguese.[105] The English traders were concerned more for establishing their trade than in needless quarrels with the Portuguese. To secure

102. Ibid., p. 337.
103. Ibid., V, p. 157.
104. Ibid., p. 233, 1612; VI, p. 162.
105. E. I. Co., II, pp. 237, 251.

their end, they sought the Moghul court and a trader was despatched to wait on the Grand Moghul and to prospect Agra. We will not dwell on the "tedious delays" of the court, the procrastination of the nobles, and the infinite patience of men like Hawkins, Kerridge and Canning.[106] Audience with the king was by no means easy at the courtly gathering of the Grand Moghul. Therefore the senior merchant of the Company, Kerridge, wrote to the Directors :

> "And for the better continuance of your factory here, it is requisite that a leiger be sent to be continually resident at court, and if possible he have either Persian or the Turkish tongue so facile to have audience at his pleasure . . . whom you send should by your worships be appointed . . . and with him such a present as is fit for the greatness of this prince . . . Mr. Canning at the delivery of his present being willed to speak the truth, answered the letter he brought was from the King; the present from the merchants whereof the Jesuits being present made a sinister construction to the King . . . your Leiger must be well furnished with toys, though of small value thereof, to present something upon all occasions at proffering

106. Letters, E. I. Co., II, pp. 97, 103.

> speech to the King and to present nobles ; if you send half a dozen colored beaver hats such as our gentlewomen use they will be liked for the King demanded such things of me for his women to wear a hunting, one or two hats for himself white or some light colour."[107]

Indeed, in the court of Jehangir presents were a very necessary factor to secure amity between the sovereign of England and the Grand Moghul.

Of the magnificent manner in which the Court received these "gift" vendors, we have innumerable examples :

> "The Jesuits do so bewitch the King and with daily presents as glasses, china dishes, varieties of wine . . . that nothing is denied them. They have way to the King at all times, confer and talk with him, live at his charge, not even his nobles have easy access. Whom the King graceth they all dare do no other.
>
> "The Neapolitan Juggler that was at Suratt is here whom the Jesuits presented to the King saying he was sent by the King of Portingall to show his rare qualities unto His Majesty, wherewith the King was so much delighted that he gave him Rs. 5,000 and

107. E. I. Co., II, Sept. 20, 1614, Letters.

many vestments. No Christian here if not presented by the Jesuits hath any grace at all." [108]

The English traders, not to be outdone by the Jesuits, followed similar plans. At their request, Roe was sent as ambassador to the Court of the Moghul. In 1614, the fleet arrived "with a letter and other great presents from the King's Majesty's own hand for the Moghull and not from the Merchants as heretofore and therefore to be respected thereafter . . . a vest royal for the King with the pictures of our King and Queen, the picture of Tamberlaine from whence he derives himself," . . . [109] The English traders understood the appeal even to family vanity.

We have many other references even to presents of water spaniels, and the pleasure the English mastiffs gave to the Grand Moghul. From the same letter one infers that the local governors constantly intercepted presents.

"Some fair large looking glasses would be highly accepted of this king for he affects not the value of anything but rarity in everything in so much that some pretty newfangled toy will give him great content." "Any toy that is not of the country, though not worth two shillings, sometimes is sufficient which may

108. Letters, 1613, Agra, pp. 282, 283.
109. Letters, E. I. Co., pp. 19, 32; Vol. II, Nov. 23, 1614.

move the king not only to favour our business but in short time to give some pension or allowance toward his maintenance." [110]

The British factor's ambitions were not merely to gain trade, but to make the Moghul Court pay the cost of the ambassador.

Roe appeared at the Moghul Court with all powers from the court of James. His first ambition was to secure the same privileges that Lancaster obtained from the King of Acheen. The tentative draft of 1619 mentions:

(*a*) That the English shall not build any house in or about Surat, but only hire a convenient dwelling for the merchants till the ship's arrival.

(*b*) No goods shall be concealed from the port authorities.

(*c*) The English to pay dues and customs agreed upon at Surat. [110a]

Roe desired freedom to buy or hire houses at the Moghul ports, to land or buy any sort of goods and relade at their own pleasure, buy and sell at their will with no duty levied on their stores; the English merchants to be given the privilege of arms to defend against the Portingalls; to be permitted to be governed by their own religion and law; their disputes to be regulated by their president

110. Factories, I, p. 39, 1618.
110a. Factories, I, p. 39.

and only those with the natives to be settled by native authorities according to justice. Roe was completely foiled, though he received royal treatment at Court, and gained the ears of Nurmahall, the princess, by very adroit methods. The merchants were disappointed that they could not secure a fortified warehouse. "Our hoppes to fortifye might perhaps be induced on his lordship's promises which provinge wordes we cannot expect anything of the kind."[111]

The factors wrote most disparagingly of Roe after he left, though Chaplain Terry wrote of him as "a Joseph in the Court of Pharoah."[111a]

After Surat's occupation, the factors extended to Agmere, Agra, Broach, and Ahmedabad. The preliminary negotiations were always accompanied by "fitting trifles for continual presents to the King . . . rich gloves, wrought or embroidered caps and purses, looking glasses, and even drinking glasses, curious pictures in wood, wax or painted, great and small striking clocks, any toy of new invention, colored beaver hats, or silk stockings for his women, choice sword blades for the nobility, cases of bottles filled with strong waters"[111b]—these secured the good-will of the court and set the pace for local merchants.

111. Ibid. I, p. 52.
111a. E. I. Co., II, 1614, 23rd Nov.
111b. E. I. Co., Surat Letters, p. 303, Biddulph.

We have many valuable evidences in the letters of the British merchants regarding the economic organization of the period. Active trade was confined to certain seasons of the year.

> "They divide the year into three parts, February, March, April, May they count their hot months in which the heat is so great that little travelling or dealing is used. After that comes June or July, August and September, which they count their wet months. In this time there falls such an abundance of rain with store of thunder and lightning, that few or none dare travel, and therefore unfit for dealing. Lastly there followeth October, November, December, January which they call their temperate weather in which time is so great intercourse from place to place and so their chief dealing is in these latter months . . . ."[112]

How significant this observation is, may be realized from the fact that even to-day speculators forecast the purchasing power of the people after the first showers of the south-east monsoon and actively commence their buying operations.

The court and nobility were the principal customers of the new traders. Trade depended on their favours. The seaport governors of the Mo-

112. Ibid.

ghul court had "express orders to buy the chiefest of all commodities for the king, especially jewels and all sorts of strange things . . . and all men prohibited from dealing until the king be served." 113

The third feature was that trade followed the court of the Grand Moghul. The Moghul shifted his court according to seasons to Kashmir, Lahore, Agmere, Agra, Ahmedabad, Delhi, and forsooth a whole army of traders of all kinds moved. Roe observed:

> "Neither in Persia nor here is any city where merchants reside nor where any goods are staple by wholesale, but those they call merchants pass up and down like badgers (Hawkers, as they are called) with packs and buy only little quantities such as they retail in following the king's court or other great men." 114

This organization may be compared to the merchant fairs of medieval England.

"It is so mean a place by reason of the king's absence . . ." wrote the factors, when the court moved. This explains the necessity for opening out into the interior. Besides trade was localized, as it is to-day in large areas, and each had special facilities. Broach was famed for calicoes, Agra,

113. Letters, Surat, II, E. I. Co., 178.
114. Sir T. Roe letters to Smythe, 1617, V, p. 331.

Ahmedabad for indigo, selas, choutars, chintz and cheeties, Lahore for carpets, while Surat served as the port for the Moghul traders.[115] At each place the traders opened a warehouse with one of their number resident, receiving their instructions from Surat. The English organization followed the Dutch at Bantam.

> "Needful to give your President at Suratt full power over all other your depending factories. President should set limit unto the Agent at Court. The best way to remedy the wrongs is in your President's power at Suratt to stay their Juncks . . ."[116]

Surat was raised to be the head factory, with Kerridge as the chief.[117]

The leases for their warehouses were for short periods and subject to a great many annoyances :—

CHOJA ARAB'S AGREEMENT

> ". . . that dwelling house with a terrace, upper room and warehouses built new of me, I do hereby agree to let unto Tho. Kerridge, Englishman, the term of 3 years for 1800 Mahmudis rent, which time if he remain not, but deliver up the house before three years be expired and take another to dwell in, no part

115. Letters, E. I. Co., I, p. 280; II, pp. 100, 238.
116. Factories, I, p. 252.
117. Letters, E. I. Co., IV, p. 301; Factories, I, p. 60.

of this agreement shall be void but he be liable to the whole rent but if the English shall leave that country within that time, he shall then pay for it no longer than his or their residence.

Sealed Choja Arab." [118]

At all the chief marts, the factors started their trade with similar houses and one or two merchants receiving orders from Surat. By 1615, the Surat trade had expanded so enormously that we find the following list of commodities exported and imported through Surat :

ENGLISH IMPORTS

Cloth, yearly 150-200. Poppinjays Greens Colours good and perfect and durable lest it be discredited.

Lead in pigs and bars worth 8¼ mamoodies.

Tin—37-38 per maen.

Elephants' teeth—2000 maens per annum.

Quicksilver 200 mamoodies.

Vermilion 190 mamoodies.

Mascovy hides 300-350.

Sword blades—exceedingly crooked, broad, thick-backed, and of such metal as will stand being bowed.

118. Letters Received, V, p. 74; Embassy of Sir T. Roe, II, p. 510; Factory Records, Surat, Vol. 84, Pt. 1.

Knives English cost 40-50s. per dozen 20-30 doz. well bent.

Looking glasses and comb cases 200 per annum.

Cases and bottles of hot waters not vendible except as present.

Spanish pike staves 14-15 mamoodies 300-350 per annum.

EXPORTS FROM INDIA

Indigo of Serques and Byana.

Calicoes of all sorts, Symeanoes in great quantities.

Pintadoes.

Sashes.

Green Ginger.

Opium.

Salammoniac.

Gumlack.

Quilts and carpets.

Cotton yarn.

Sugar candy. [119]

We will have to consider the growth of this large trade with relation to the commercial organization of the Moghul dominion. The Court, as has been pointed out, was the principal and important single customer of the new traders as well as the seat of justice as between foreigners and

119. E. I. Co., IV, p. 296, 1615.

local traders. The Surat Council therefore decided in favor of opening the factory at Agra, and Canning, one of the factors, was deputed to be in attendance at the Court. The factors regarded that

> "To hold one mart in one place is not so necessary, but to keep two factories, one at Suratt, the other at Agra, and for all sorts of commodities we shall occasion to buy in time of year to repair for them to the place where they are made esteeming there to be no great danger in the transportation thereof through the country and for inviting the people with their goods to repair down to Suratt."[120]

The Agra house was intended to have access to the Court and to secure local commodities. The first factor, Paul Canning, spent a year in a fruitless attempt to get as great concessions as did Lancaster in Acheen, and died at Agra.[121] The King took such goods as he liked and sent the rest back to the house—goods priced under value and the money paid."[122] Agra was a flourishing market for "cloth, swords, looking glasses and cony skins" until "the King's removal with his followers and great men emptied the place of traders."[123] Agra chintz was a much desired commodity, "cheeties

120. Council on
121. Letters, E. I. Co., II, p. 103.
122. Ibid. VI, pp. 244-246.
123. Ibid. VI, p. 202.

and Pintádoes the best to be had at Agra,"[124] "seelas and choutars" sold at a profit at Bantam,[125] and the demand was so great that the factors found "the Portuguese forestalled occasionally in the purchase of Semeanoes."[126] Indigo of Agra gained a reputation. It was usually bought with cash advances—"the greatest part of the sum to be paid when indigo is ready, which is a custom and the cheapest course of buying."[127] Large orders were given "partly on credit and part money"—a method still prevalent, showing the domestic nature of the trade.

The English traders had to contend with the difficulty of their woollen cloth "damnified by the infinite abundance of worms that loveth cloth so well that it will not keep out of the same . . . till he hath utterly spoilt the whole piece."[128] These they "bartered away for coarse sort of indigo." English woollen cloth seems to have been beyond the purchasing power of the common people.

> "Woollen cloth is so rare a matter to be seen by reason of the dearness of it and the cheapness of their own cotton cloth. They buy a certain coarse kind of cotton cloth made

124. Ibid. II, p. 97.
125. Factories, I, p. 16.
126. Letters, V, p. 45.
127. Letters, E. I. Co., VI, p. 244.
128. Ibid. VI, p. 242.

> in the city of Lahore which is four times cheaper than ours."[129]

The King and the nobles required cloth for "certain pretty castles fashioned upon the backs of elephants whereon his women ride," and for a "kind of litter carried on men's shoulders," as well as "coverlets for carts and palanquins."[130]

That suggests the means of transportation in vogue at the time: camels, elephants, horses, and even human beings. A caravan periodically started from place to place. "An English caravan of 600 camels from Agra"[131] meant a volume of trade that must have impressed the local traders. That gave opportunity as well for the daring to get some loot.

> "Passage from Surat to Agra subject to a world of dangers upon the way . . . many thousand blood-sucking villains that for so much as of their brass pieces of money as countervaileth the third part of a penny starlinge will cut a man's throat, which doth appear by the example of one of our poor countrymen."[132]

From Roe's letters, we have numerous details regarding the manner in which the trade was

129. Ibid. II, p. 97.
130. Ibid. VI, p. 242.
131. Ibid. V, pp. 90, 93.
132. Letters, E. I. Co., VI, p. 196.

conducted at this time.[133] The English, unacquainted with the language and obliged to use interpreters and local brokers, had many difficulties, not the least of which was the untrustworthiness of some of the brokers and dealers.

> "I found Jadow in prison for offering to cozen Coga Jehan with a false ring selling it to him for rupees 2,500 . . . . Before he reported the ring was sent him per the English from Surat to be sold . . . so shameless he was that he entreated me to aver so much . . . afterwards he said he bought of a banyan in the Lashar for 300 rupees . . . . This made Coga Jehan so mad to be cozened so much that I thought verily he would have cut his throat but in regard he was broker to the English, he only sent him back again to prison . . . . If all knaves had the like luck there would be less cozening."[134]

There were numerous other difficulties, such as defaulters and run-away dealers.

> "Been busied in recovering 'the anil' which hath proved more troublesome than I expected . . . have all save 8 maunds . . . the debtors whereof through the late damage they and divers others received by the extra-

133. Ibid. V, 1617, p. 304.
134. Ibid. II, p. 142.

> ordinary rain that fell not able to pay me, I laid hold of their surety . . . a time bond to pay me my money again a month hence of which I make no doubt."[135]

How troublesome these were, we may find from Roe's petitions to the Court,

> "signifying the great loss and expenses by the stay of our ships unprovided by these men's falsehoods and appealed to his protection and favor for justice . . . . At the end a brief of the sums due, the time of their growing due, the names of all their principals and their sureties . . . which his Majesty caused distinctly to be read . . . the King called the chief of the Cutchery . . . giving order to send for all the debtors, to examine the business and to cause them to pay us. . . . This order passed, the King invested himself with this general answer . . . that the merchants had trusted his servants at their own will and at their own peril, not acquainting him with the commodities . . . hereafter when our ships arrived we should deliver him a bill . . . he would appoint what should be brought before him of which he would buy part and distribute the rest to such as he would choose

135. Ibid. II, 1614, p. 140.

> . . . and for all that failed he would pay the money."[136]

The senior merchant at Surat regarded that "near the King is less wrong, more justice and soonest reformation than in any other place."[137] He concluded, however, that "the best remedy was to stop the native junks in the Red Sea until grievances are redressed."[138]

The extensive character of their credit operations and the way the factors followed "native traders" are described in the following passage:

> "Dispeeded 14 days' journey hence to receive a debt due . . . from an Armenian for cloth sold him in Agmere 5 months before . . . after much trouble and *3 months' abode* he came to Composition with the said party (whose debt was 7500 Rs.) and received of him one-half of cloth sold him back again amounting to 3500 Rupees . . . 2800 Rs. received in ready money and his bill for the rest *payable at 3 months* . . . we were deceived in this bargain by our broker's misinterpretation in taking a surety bound with him for the money whereas he was only surety for his body and forthcoming."[139]

136. Letters, E. I. Co., V, p. 304.
137. Factories, I, p. 59.
138. Ibid.
139. Letters, E. I. Co., VI, 1617, p. 244.

The English factors at times took the law into their own hands and practised methods of coercion, not unusual at the time.

> "I enticed him with fair words into my house where I kept him prisoner for the other . . . now remaining, but having no money I took for pawn of the payment 12 pigs of lead and so released him. That very night himself with his son and all his household fled."[140]

Roe to Kerridge:

> "Muckshude has no other means to pay but his house. Asaph Chan hath done all in his power but finding no ability hath given his secret in the King's name to turn out his mother and servants and put us in possession. We are told they will redeem it."[141]

It was fortunate for the English traders that they could get justice at the Moghul Court.

We have many records of the commercial finance of the time. Some of the bullion brought by the English traders was Spanish gold. The money changers, called shroffes, were "permitted by the king to raise and abase the value of the money."[142] The factors in their trade relations had so well established themselves in the chief centres of trade that their credit was quite acceptable to the

140. Factories, I, p. 25, Agra letters.
141. Letters, E. I. Co., VI, Oct. 17.
142. Ibid. VI, pp. 182, 309.

shroffes in different places. There are occasional notices of commercial bills drawn on the shroffes.

Hughes at Patna, to Factors at Agra :

> "Drawn upon Agra for Rs. 2000. havinge received here of Maun Meckon shroffs 1962½ Rupees to be by you repaid in Agra unto Cassy and Bassesar in 2000 Rs. hundis.[143] The bill was written at 40 days' Candy Muder (term for settlement). Exchange has fallen lately owing to Muqurrabkhan delivering out three lacs of rupees to be repaid him in Agra."[144]

From the frequent appearance of such bills, we are led to infer that the factors established lines of credit with the shroffes in all the principal towns, as Ahmedabad, Lahore, Patna, Broach..

The importance of Ahmedabad as a trading centre was realized in 1614, soon after opening Surat.

> "Ahmedabad, the seat of the king of Guzerates . . . spacious as the city and suburb of London . . . only indigoes of which commonly there is great store . . . quilts and carpets."[145]

The factors were keen to open a fortified ware-

143. A bill of exchange to be rediscounted.
144. Factories, I, p. 236.
145. Letters, E. I. Co., II, p. 238.

house. Roe, in Agra at the time, wrote to the factors:

> "If you begin to build and plant here, quarrel would arise, the enemy exasperated and all your profits eaten in garrisons and pays. It is not wise to drive your trade by plantation. The Dutch have spoiled the Moluccas which they fought for."[146]

Trade was carried on through the brokers as in other factories, and some of the brokers were occasionally dismissed for disloyalty and for secretly helping to raise prices against the English traders.

Among other commodities, Ahmedabad was known for "great pearls, very large emeralds of the ouldrocke, ballast rubys and perfect colored rubys. The Portingals chief trade in their commodities . . . Ballast rubyes sold for 7,8,10000 starling apiece."[147]

Broach was noted for its calicoes and the factors employed their men to watch the process of even bleaching the calicoes.[148] The English warehouse was next the mosque.[149] Besides calicoes, they had a large trade in indigo. In 1619, the trade had grown so large that the Governor threatened a penalty on all brokers if they permitted the Eng-

146. Factories, I, p. 13.
147. Ibid. I, p. 20.
148. Letters, E. I. Co., II, p. 100.
149. Ibid. VI, 1621, p. 891.

lish factors to absorb all the local commodities. The factors had completely monopolized the trade and defeated the local traders. Most of the purchases of cloths were made by contract with the weavers. The inspection was personal. "I saw all their yarn, ready dyed, lacking only the weaving." [150]

Domestic handloom weaving prevailed to a large extent in India, and domestic methods of conducting trade are very evident in these passages:

> "I left word that I wanted to look after everything myself . . . to *deliver everything within 8 days.* At the very best everything can be finished in 20 days so that I feel more certain about this."

Evidently to hurry the delivery and to impress on the oriental weaver the importance of time, the factor had judged 8 days when he realized it would take twenty days to do the work.

A very curious mode of transmitting money is mentioned for purpose of safety at this time:

> "Send by bearer mahmoodis made up in wascote of Duttie which they wear underneath their clothes for more case and safety according to the manner used by shroffes in like transportation." [151]

There must have been robbery on the highways.

150. Ibid. VI, p. 153.
151. Factories I, 1619, p. 110.

We have left Surat to be dealt with last. Surat was the pivot of the trade of the Moghul dominion and the centre of all the English factories. The letters of Chaplain Terry (attached to Roe) give full accounts of the life of the factors. The manner of the organization of the factory and its administration, we have considered in the section limiting the powers and functions of the factor. We have also pointed out the failure of the factors to get an armed house in Surat and their resort to hired house.

From Surat the factors sent their commodities to England, the Red Sea and the Southern Islands. Their trade included every variety of cloth. In 1615 one ship carried a cargo of:

> "Per 'the Lion': Byana and Seques Indigo, Symeanoes, broad baftas, cotton yarn, carpets, Salammoniac, opium and conserves . . . 313380 mahmoodis. 3 ships bound South . . . All commodities approved to be the most vendible—Baftas blue Serebaffs, cotton wool, steel, Pottalaes, Selaes, cheeties, Deccan hilts—45081 mahmudis."[152]

152. Letters, E. I. Co., IV, p. 293.

We have the records of prices of every commodity :

	£
"Gumlack 25 tons ..	800
Indigo 70 tons ..	10,000
Green ginger 3 tons ..	100
Opium 2 tons ..	100
Carpets ..	500
Cotton yarn ..	500
Calicoes all sorts 15 tons ..	2,802"[153]

Opium must have been very cheap at that time.

Local trade in Surat embraced a large variety of goods. With regard to the English commodities, we find :

> "Blues and sad colors will not sell at any price . . . if reds, greens and yellows they would soon be put off for great quantities are here used."[154]

> "No dark or sad colors are here vendible but light and pleasant colors pleasing to the eye Venice Red, and Stamels. They much desire Christian cloth."

They seem to have been studying all the time the whims of their new customers, "their extraordinary addiction to novelties" and "quick satisfaction."[155]

Surat was also a market for "pearls, rubies

153. Ibid. II, p. 136.
154. Surat, 1614.
155. Factories, I, p. 18.

and emeralds, especially large and rich stones, shirts of mail, embroidered coats of Indian fashion, buckle cases, cushions, great glasses . . . Pictures if rare (*but not of men*), Corrall—a commodity to be sent in large quantity . . . the Surat merchants will not suffer to be brought into Surat but by strong hand. Amber beads, Tin, Quicksilver, thick tortoise shells of blackest color, Quicksilver and Sandalwood of Bantam." [156]

There is an occasional mention of strange commodities with occult powers, e.g., the unicorn's horn (horn of rhinoceros, antidote to poison).

> " The unicorn's horn I brought up last year at Surat and showed it to Macrob Chan (Viceroy of Surat) at Rs. 5000 . . . made trial by the lives of a pigeon, goat and a man which they losing it altogether lost esteem." [157]

Not all seem to have been quite gullible even at this time.

Within five years, their trade had expanded so much that in 1619 they exported from Surat :

To England :

> Indigo, serquese, baftas, ginghams, baftas broad, sundry stuffs, baftas for table napkins, bloodstones, indico byana, carpets, dutties, indigo dust, plumber's stone, vellum and parchment, calus quilts, Semasens, neccaines,

156. Ibid. I, p. 55.
157. Ibid. I, p. 11.

gumlac, turmeric, sealing wax—Mahmudis 700243.

To the South :

Brawles, dutties, tapseelas, cadia cotton—33 kinds of cloth—chintz, redseelas, cotton wool, steel, iron, knives, brass ordnance—211613 Mahmoodis.

To Red Sea :

10 kinds of cloth, indigo, sashes, glasses, knives, broadcloth &c.[158]

That meant that the English traders were displacing their competitors so much as to arouse the enmity of the Portuguese and the Guzerates. At the Customs House the officials, eager for bribes, examined all contents.

> "Our interpreter, a dissembling fellow addicted only to please the customers coming with great circumstance and nominating five others that must be likewise have presents."[159]

Internally, the English traders were not entirely free of not planning to compete the best they knew how. They smuggled copies of the invoices of the Guzerathis and sent them to England, giving the list of the commodities they traded in.[160] The Guzerates traded with the Spice Islands, Cey-

158. Factories, 1619, p. 62.
159. Letters, E. I. Co., IV, p. 47.
160. Factories, I, p. 56.

lon, Barbary Islands, Aden, Mocha, and dealt principally in cloth, corals, gold, and elephant teeth.[161] The opposition to the English coral trade was such that "the merchants of Surat would not suffer it to be brought out by strong hand." At Broach, "the authorities have given cutba to brokers that they shall neither sell goods nor buy anything for the English. They have also done the like in Surat . . . will not give way to our trade in Suratt, nor suffer us to buy any of the goods exported thither . . . our last year's provision hindered theirs and made them load the prince's ship with tobacco."[162] Nothing daunted, the factor writes:

> "If the Governor denies all concession, leave money with one of the *securest brokers that understood* to provide the goods you appoint and send them securely."[163]

We see the extent to which local merchants were being pushed out, from statesments like this:

> "There is no complaint by the Moghul subjects that we buy not their commodity but contrary that we buy so much that their own merchants want for the Red Sea . . . I know it true . . . we have raised the price of all we dealt in. Now we fear the Dutch will make it worse . . .. The merchants of this

161. Ibid, I, 56.
162. Factories, I, pp. 98, 131, Oct. 20, 1619.
163. Ibid. I, p. 17.

place are also undone by our trade southwards which hath taken the meat out of their mouths and overthrown their trade that way."[164]

While breaking up the native trade, the Portuguese were being similarly blocked:

"Another letter formerly written from the Viceroy (Goa) to a Jesuit now in Suratt was intercepted, the copy whereof I procured and have sent the translation herewith, that your worships may the better perceive the present business betwixt this people and the Portingalls."[165]

Copying the invoices privately evidently was an old trick in the competition for foreign trade.

A Portuguese merchantman, flushed with the trade of the Spice Islands and the Red Sea, putting in at Surat, was invited by the factors at Surat, with due circumspection, to their factory, and a message was immediately sent to Roe at court that "if the Portuguese were permitted to invest that year, they will spoil the investments but will be so fleshed that they will be encouraged to a second attempt to the great prejudice if not overthrow of this trade. The course of prevention we leave unto your Lordship's discretion,

164. Ibid. I, pp. 14, 315.
165. E. I. Co., II, p. 299; IV, p. 333.

whether meet to importune the King to prohibit them this port . . . "

By such alertness and single-minded attention to the gains of commerce and aloofness from intermeddling in internecine wars where their commerce was not directly concerned, the English factors in twenty years built up the trade, linked it to the existing channels, and at the close of Roe's embassy they were well on their way toward a firm foundation for the commerce of England in the Indies.

If any emphasis need be placed at all, the Directors of the East India Company pursued their commerce more than territorial aggrandisement, and security of their trade at the beginning. In this they were distinct from the Portuguese, with religious zeal and ambition for conquest.

If I may anticipate to some extent, I am inclined to regard that the Dutch had greater influence on the policy that was developed than any other nation at this period. The Dutch aimed at consolidating their conquest, that they might gain a monopoly of trade in the Indies. How far the Dutch methods of organization and administration influenced the English mind may be seen from this letter of Sir Josiah Child :

> " To establish such a polity of civil and military power and create and secure such a large revenue as may be the foundation stone of a

large, well-grounded, sure English dominion in India for all time to come.

"The increase of our revenue is the subject of our care as much as our trade. It is that must maintain our force when twenty accidents may interrupt our trade. It is that must make us a nation in India. Without that we are but as a great number of interlopers united by His Majesty's Royal Charter, fit only to trade where nobody of power thinks it their interest to prevent us. And upon this account it is that the wise Dutch, in all their general advices that we have seen, write ten paragraphs concerning their government, their civil and military policy, warfare and the increase of their revenue for one paragraph concerning their trade."

These statements leave the impression that the credit for English commercial methods must be to a large extent given to the Dutch.

CONCLUSION

Nothing but the barest suggestion of the organization of the Company, each voyage, and every factory, as well as the methods by which the trade was pursued, has been possible. The Company was so popular that at the outset the subscription list was readily filled. But the difficulty of securing their contributions forced on the Company the policy of making the subscribers individually bear the expense of the voyage and reap the whole profits. But on account of the rivalry of the Portuguese and the Dutch, after 1612 the voyages were on the joint stock account. The joint stock voyage intensified the antagonism of the Portuguese and the Dutch, and led eventually to the Massacre of Ambogna in 1622. Our period covers one hundred and fifteen voyages.

The first twelve voyages, called "Separate Voyages," 1603-1612, on account of individual subscriptions, contained in all twenty-eight sailings, the largest in any one expedition being five vessels, in the first voyage under Lancaster. The "Joint Stock Voyages" began in 1613.

All the Separate Voyages were prosperous. The profits hardly ever fell below 100%. The

fourth voyage alone failed. In general, they realized 200%. The total capital for the first twelve voyages was more than £464,284, or £38,690 per voyage.[166] The antagonism of the Dutch reduced the profit of the first Joint Stock voyage to about 7½% on the subscribed capital. Yet in 1617 the second Joint Stock subscriptions amounted to £1,620,040, with 954 contributors, comprising 313 merchants, 214 tradesmen, 25 foreign merchants, 15 dukes and earls, 82 knights, 26 doctors of divinity and medicine, 13 court ladies, 18 "widows and virgins," and 248 other persons.[167]

From this time on, the Company was a national affair. In 1621, the Company presented to Parliament "the estate of the trade from the beginning thereof in 1600 to the 29 Nov. 1621," from which we gather that they had sent 86 ships in all, of which 36 returned safely laden, 9 lost, 5 worn out by port to port service in India, 11 captured by the Dutch, and 25 "do remain in India or on their homeward passage." "In all the said time, upon all the said ships," they had "lade away as well out of these realms, as out of the Downs Holland and other places" no more than £613,681. Also they had "shipped out of the realm in woollens, lead, tin, iron and other wares to the value of £319,211, making together £9,328,920. "And

166. Cal. State Papers, 1621, No. 29.
167. Ibid.

all of the beforementioned monies and goods sent into the Indies, there have been employed the value of £375,288" for "the unloading of 36 ships which are returned home with sundry sorts of wares, all of which wares have produced here in England by sales £2,004,600."

In 1615, Sir Dudley Digges, in his "Defence of Commerce," showed that the re-export of Indian goods to the continent had yearly exceeded the value of the bullion exported from England to India; that the English nation saved £70,000 a year in the price of pepper and other spices, benefitted their commerce by increased customs revenue, built great ships, employed large numbers of Englishmen in the Company's business.

In 1621, Mun, in his "Discourse of Trade from England to the East Indies," estimated the annual European consumption of

Pepper,	..	£ 600,000
Cloves,	..	„ 450,000
Nutmegs	..	„ 400,000
Indigo,	..	„ 350,000
Mace,	..	„ 150,000
Raw silk,	..	„ 100,000

The overland route would have cost £11,465,000, and the new sea route £511,458.

These are evidences not simply of the reduction in costs, but of the transformation in the lines of trade and the channels of profit. Vasco de

Gama's discovery changed the current of the commercial, political and social history of Europe. Venice lost her mercantile supremacy, and Italy her prosperity (cf. Suez Canal and results). Egypt, which for two thousand years had the most advantageous overland route, was deposed from her position. The monopoly of the Arabs in the Eastern seas, and of the Jews, the inheritors of Phoenician and Greek traffic, was destroyed. Thus started the rearrangement of the mercantile and state systems of Europe. The quest for calicoes, spices and gold inevitably reacted on the social and economic structure of the European nations. The small factory became an emporium, and later the seat of an empire. The ordinary factor and the stringent organization of the factory formed the nucleus of a powerful commercial, military and civil service. Trade routes are even today gradually being modified by the development of the new world and especially South America and the islands of the Pacific. The Canadian Pacific Railway is the last of the hopes of the North-west Passage dreamed of by Frobisher and Waymouth. The Suez Canal restored Egypt and Italy. The Berlin-Bagdad Railway would have once again brought the overland route into existence.

But the commercial methods and policies of modern nations are so finely interwoven in a maze

of political complexity, that the economic development of large areas still awaits the daring genius of Elizabethan times.

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"The first Court Book furnishes irrefragable evidence that the managers of the East India Company began their undertaking in a thoroughly practical and business-like manner."

Sir George Birdwood's introduction is an admirable study summarizing the circumstances that attended the rise of the East India Company and a forecast of commercial development through different trade routes to the East.

The first book is a good indication of the waning hopes of the school of Cabot and Frobisher, and the rising expectations soon to be confirmed by facts of that of Lancaster and Middleton, Saris and Marlowe.

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